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**ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA**

**REPORT OF EXAMINATION OF FINANCIAL STATEMENTS  
INTERNAL CONTROL AND COMPLIANCE**

**JUNE 30, 2002**

**JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT  
133 BUTTERCUP COURT  
WHITE HOUSE STATION, NEW JERSEY 08889  
PHONE: (908) 823-0116**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/19/03

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

REPORT OF EXAMINATION OF FINANCIAL STATEMENTS  
INTERNAL CONTROL AND COMPLIANCE  
JUNE 30, 2002

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**JERRY L. WHITE**  
Certified Public Accountant

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White House Station, NJ 08889  
(908) 823-0116

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Association for Community Training, Inc.  
Shreveport, Louisiana

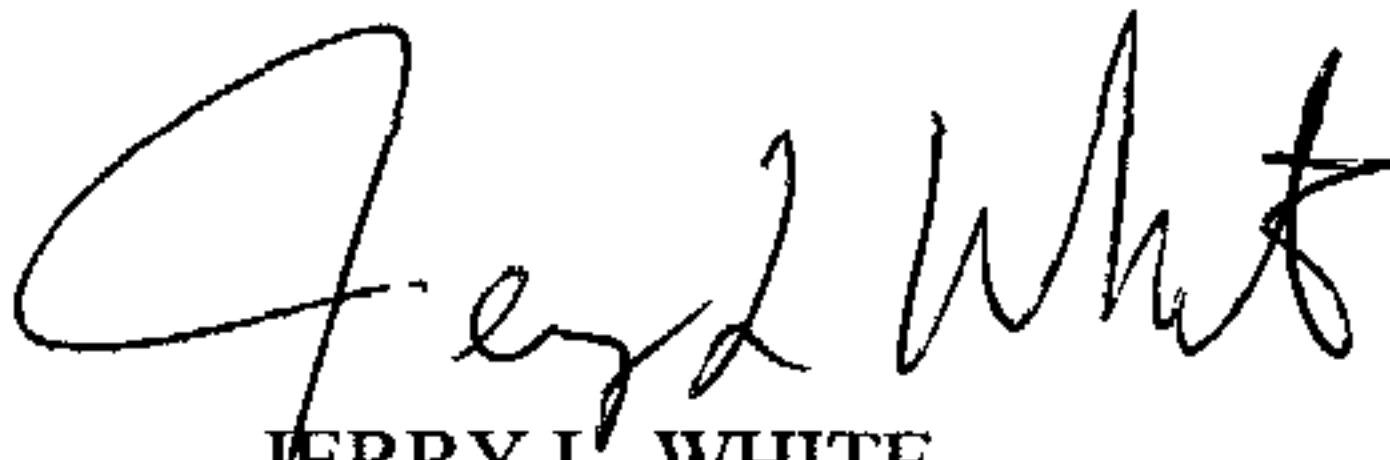
I have audited the accompanying statement of financial position of Association for Community Training, Inc., a non-profit corporation, as of June 30, 2002, and the related statement of activities and cash flows for the year then ended, and the Child Care Food Program Fund of the Association for Community Training, Inc., for the twelve month period ended June 30, 2002 as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association for Community Training, Inc., as of June 30 2002, and the results of its operations and changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 22, 2002, on my consideration of Association for Community Training, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations, and is not a required part of the basic financial statements. Also, the accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit the financial statements and, in my opinion, is fairly stated in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Jerry L. White". The signature is fluid and cursive, with a large initial "J" and a stylized "W".

JERRY L. WHITE  
Certified Public Accountant

December 22, 2002

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS  
STATEMENT OF FINANCIAL POSITION  
For the Fiscal Year Ended June 30, 2002

	QUAD PROGRAMS FUND	TEEN GIRL OUTREACH FUND	CHILD CARE FUND	WOODLAWN TERRACE FUND	MILAM/ALEN PROJECT FUND
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	532	34	85	5,111	
Grant Receivable (Note 3)		13,280	123,134		
Accounts Receivable					
Due From Other Funds					
Prepaid Expenses	8,308				
Total Current Assets	8,840	13,314	123,219	5,111	
<b>PROPERTY AND EQUIPMENT AT COST</b>					
Land					17,496
Building					28,535
Building Improvements					
Equipment					738
Furniture and Fixtures					
Vehicle					
Less accumulated depreciation					(3,488)
Net Property, Plant and Equipment					43,281
<b>TOTAL ASSETS</b>	<b>8,840</b>	<b>13,314</b>	<b>123,219</b>	<b>5,111</b>	<b>43,281</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Bank Overdraft					457
Accounts Payable	3,044	5,332	107,656	6,622	
Accrued Expenses			13,085	21,968	
Payroll Taxes Payable			4,453	7,180	
Due to Other Funds	8,398	7,425	2,660	34,000	10,500
Current Portion of Mortgage Payable (Note 5)					3,505
Security Deposit				4,995	
Total Current Liabilities	11,442	12,757	127,854	74,765	14,462
<b>LONG TERM LIABILITIES</b>					
Mortgage Payable (Note 5)					36,095
Total Liabilities	11,442	12,757	127,854	74,765	50,557
<b>FUND EQUITY</b>					
Investment in General Fixed Assets					
<b>FUND BALANCE</b>					
Unrestricted	(2,602)	557	(4,635)	(69,654)	(7,276)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>8,840</b>	<b>13,314</b>	<b>123,219</b>	<b>5,111</b>	<b>43,281</b>

The accompanying notes are an integral part of this statement

	ASSP STATE TREASURY FUND	ASSP TANF FUND	DRUG EDUCATION FUND	GENERAL FUND	Total (Memorandum Only)	2001
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	307	267	87		6,423	49,238
Grant Receivable (3)		4,615			141,029	140,024
Accounts Receivable						30,000
Due From Other Funds	56,462	852		118,936	176,250	26,827
Prepaid Expenses					8,308	
Total Current Assets	56,769	5,734	87	118,936	332,010	246,089
<b>PROPERTY AND EQUIPMENT AT COST</b>						
Land				27,500	44,996	53,496
Building				247,500	276,035	302,685
Building Improvements				349,610	349,610	349,610
Equipment				403,604	404,342	2,333
Furniture and Fixtures				2,333	2,333	393,888
Vehicle				110,135	110,135	90,510
Less accumulated depreciation				(474,272)	(477,760)	(378,795)
Net Property, Plant and Equipment				666,410	709,691	813,727
<b>TOTAL ASSETS</b>	<b>56,769</b>	<b>5,734</b>	<b>87</b>	<b>785,346</b>	<b>1,041,701</b>	<b>1,059,816</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Bank Overdraft				12,420	12,877	41,607
Accounts Payable	2,017	13,856	87	18	138,632	194,432
Accrued Expenses	54,752				89,805	15,817
Payroll Taxes Payable				12,564	24,197	3,502
Due to Other Funds				71,352	134,335	52,152
Current Portion of Mortgage Payable (Note A)				21,946	25,451	29,559
Security Deposit					4,995	10,491
Total Current Liabilities	56,769	13,856	87	118,300	430,292	347,560
<b>LONG TERM LIABILITIES</b>						
Mortgage Payable (Note A)					36,095	35,462
Total Liabilities	56,769	13,856	87	118,300	466,387	383,022
<b>FUND EQUITY</b>						
Investment in General Fixed Assets				666,410	666,410	769,440
<b>FUND BALANCE</b>						
Unrestricted		(8,122)		636	(91,096)	(92,646)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>56,769</b>	<b>5,734</b>	<b>87</b>	<b>785,346</b>	<b>1,041,701</b>	<b>1,059,816</b>

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF ACTIVITY  
For the Fiscal Year Ended June 30, 2002

	QUAD PROGRAMS FUND	TEEN PREGNANCY FUND	CHILD CARE FUND	WOODLAWN TERRACE FUND	MILAM/ALEN PROJECT FUND	ASSP STATE TREASURY FUND	ASSP TANF FUND	DRUG EDUCATION FUND	GENERAL FUND	TOTAL (Memorandum Only)	2001 TOTAL
<b>REVENUES:</b>											
Government Grants	863,000	120,229	687,532	67,123		170,249	107,288	11,371		2,026,792	2,105,301
Fiscal Management									35,072	35,072	76,891
Sales					10,529					10,529	23,695
Interest Income	1,026								44	1,070	6,270
Rental Income				143,820						143,820	229,201
Donations				81,701	19,410					101,111	59,838
Other				6,852						6,852	32,543
<b>TOTAL REVENUES</b>	<b>864,026</b>	<b>120,229</b>	<b>687,532</b>	<b>299,496</b>	<b>29,939</b>	<b>170,249</b>	<b>107,288</b>	<b>11,371</b>	<b>35,116</b>	<b>2,325,246</b>	<b>2,533,739</b>
<b>EXPENDITURES:</b>											
Salaries	480,925	68,490	91,214	67,463		37,030	10,581	8,932		764,635	638,118
Fringe Benefits	106,348	9,539	13,308	6,078		9,270	6,524	779	712	152,558	131,448
Travel	22,416	2,662	3,858	279					509	29,723	23,623
Insurance				23,368	1,302	1,202	1,076		6,533	33,481	32,936
Equipment	19,625	607			3,500				9,718	33,448	115,163
Office Supplies		611	992	2,020	918	156	746	349	454	6,244	15,532
Postage	1,921	150	1,774	34				68	1,063	5,010	3,587
Printing	1,112	147	125				125			1,509	940
Professional Services	51,689	6,839	8,151	9,903	6,068	8,295	3,553	1,243	24,377	120,126	127,068
Rent	29,400	4,500	6,183			45,858	36,168			122,109	87,199
Telephone	5,620	1,148	2,306	4,743		815	563			15,195	16,474
Repairs	1,820		1,188	95,813	1,625	4,800				106,246	3,684
Utilities	16,219	255	1,082	55,926	90					73,572	83,570
Retreats and Field Trips		1,031								1,031	784
Conferences, Conventions, Meetings	870	1,006	810			403	273			3,162	2,555
License and Permits	9,918				287					10,205	9,325
Van Repairs	4,976									4,976	3,998
Material and Supplies	28,355	2,253			4,369	263	299		2,600	38,139	33,290
Teachers and Aides						59,645	54,869			114,514	66,680
Consultants	36,000	16,681								52,681	36,000
Community Projects	16,650									16,650	59,200
Fiscal Management											158,390
Outside Services											234,836
Depreciation					1,744					1,744	1,744
Bank Charges				165	209				813	1,187	767
Provider Reimbursement			561,376							561,376	598,566
Taxes					1,565				199	1,764	2,171
Program Expense	31,319	3,753							2,893	37,965	14,928
Other	1,435			4,487	4,142	2,512	633		2,236	15,445	4,856
<b>TOTAL EXPENDITURES</b>	<b>866,628</b>	<b>119,672</b>	<b>692,167</b>	<b>270,279</b>	<b>25,815</b>	<b>170,249</b>	<b>115,410</b>	<b>11,371</b>	<b>52,105</b>	<b>2,323,696</b>	<b>2,507,412</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,602)</b>	<b>557</b>	<b>(4,635)</b>	<b>29,217</b>	<b>4,124</b>	<b></b>	<b>(8,122)</b>	<b></b>	<b>(16,989)</b>	<b>1,550</b>	<b>26,327</b>
<b>FUND BALANCE, BEGINNING</b>	<b>(3,206)</b>			<b>(98,871)</b>	<b>(11,400)</b>				<b>20,831</b>	<b>(92,646)</b>	<b>(118,973)</b>
<b>INTERFUND TRANSFER</b>	<b>3,206</b>								<b>(3,206)</b>		
<b>FUND BALANCE, ENDING</b>	<b>(2,602)</b>	<b>557</b>	<b>(4,635)</b>	<b>(69,654)</b>	<b>(7,276)</b>	<b></b>	<b>(8,122)</b>	<b></b>	<b>836</b>	<b>(91,096)</b>	<b>(92,646)</b>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2002

	OUAD PROGRAMS	TEEN GIRL OUTREACH FUND	CHILD CARE	WOODLAWN TERRACE	MILAM/ALLEN PROJECT	ASSP STATE TREASURY FUND	ASSP TANF FUND	DRUG EDUCATION FUND	GENERAL FUND	TOTAL FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Excess (Deficiency) of Revenues over Expenditures	(2,602)	557	(4,635)	29,217	4,124		(8,122)		(16,989)	1,550
Adjustments to reconcile operating Income to net cash provided (used) by operating activities										
Cash flows reported in other categories										
Depreciation					1,744					1,744
Change in assets and liabilities										
Receivables (net)	29,000	(13,280)	(12,110)				(4,615)		30,000	28,995
Receivables from other funds	(1,927)	7,425	13,987	16,000	(1,500)	(56,462)	(852)	(500)	(43,381)	(87,210)
Prepaid Expenses	(8,308)									(8,308)
Accounts Payable	(46,470)	5,332	(752)	(28,347)	(1,541)	2,017	13,856	87	18	(55,800)
Taxes Payable	(1,556)		2,507	7,180					12,564	20,695
Accrued Expenses	(10,016)		7,284	21,968		54,752				73,988
Tenant Security Deposit				(5,496)						(5,496)
<b>Total Cash InFlows</b>	<b>(41,879)</b>	<b>34</b>	<b>6,281</b>	<b>40,522</b>	<b>2,827</b>	<b>307</b>	<b>267</b>	<b>(413)</b>	<b>(17,788)</b>	<b>(9,841)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>										
Proceeds from sale of capital assets										
Purchases of capital assets					(738)					(738)
Building Improvements										
Proceeds from CBDG Grant										
Proceeds from capital debt										
Principal paid on capital debt					(3,505)					(3,505)
Net cash provided (used) by capital an related financing activities					(4,243)					(4,243)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(41,879)</b>	<b>34</b>	<b>6,281</b>	<b>40,522</b>	<b>(1,416)</b>	<b>307</b>	<b>267</b>	<b>(413)</b>	<b>(17,788)</b>	<b>(14,084)</b>
<b>UNRESTRICTED CASH @ 7/01/01</b>	<b>39,205</b>		<b>(6,196)</b>	<b>(35,411)</b>	<b>959</b>			<b>500</b>	<b>8,574</b>	<b>7,631</b>
<b>INTERFUND TRANSFER</b>	<b>3,206</b>								<b>(3,206)</b>	
<b>UNRESTRICTED CASH @ 6/30/02</b>	<b>532</b>	<b>34</b>	<b>85</b>	<b>5,111</b>	<b>(457)</b>	<b>307</b>	<b>267</b>	<b>87</b>	<b>(12,420)</b>	<b>(8,453)</b>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Presentation of Statements:**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for local government entities as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting; Audits of State or Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Section 800 - Fiscal Requirements, Appendix A, accounting manual for the Governor's Office of Elderly Affairs; and the revised Louisiana Municipal Audit and Accounting Guide.

**B. Organization:**

Association for Community Training, Inc. was incorporated on May 11, 1984, in Shreveport, Louisiana for civic and charitable purposes. Its mission is to provide services needed to enrich the lives of all needy citizens of Caddo Parish. The Board of Directors is composed of eleven members. The board officers for the year ended June 30, 2002, were Mrs. Eddie Jones, President, Mr. Wendell Piper, Vice President, Mr. Charles Lester, Treasurer. Board members are not compensated.

**C. Fund Accounting:**

Association for Community Training Inc. uses fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental financed functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. Fund Accounting (continued):**

The funds are grouped in the financial statements of this report, into one generic fund type as follows:

**(1) QUAD Programs Fund**

QUAD programs consist of two programs funded by the Office of Urban Affairs and Development. The programs are Access II and Homemakers. A brief description is provided below:

**Access II** – This program targets at-risk African American boys in fourth through fifth grade in eight elementary schools in Caddo Parish. The program is designed to provide a comprehensive approach to meet the needs of youth and involve parents in helping to meet the needs of youth and involve parents in helping to meet those needs.

**Homemakers** – This program educates and assists families in good health, sanitation, and home safety. The services provided include performing routine household tasks, including laundry, mending, ironing, shopping, and running errands, preparing and serving nutritious meals, cleaning, writing letters and completing forms on behalf of clients to secure services from governmental agencies, providing companionship, emotional support, and social stimulation, arranging or providing transportation as necessary in delivering these services, assisting clients with bathing, toiletries, eating, ambulating, and performing “handy-man” activities.

**(2) Drug Abuse and Education Fund**

The Drug Abuse and Education Fund provides education and drug prevention focusing on the harmful effect of drugs, early intervention, individual counseling, and rehabilitation referral for the drug user.

**(3) Teen Pregnancy Prevention Fund**

The Teen Pregnancy Prevention fund is used to account for proceeds of the grant received from the Louisiana Department of Social Services, Office of Family Support to provide education to targeted groups on pregnancy prevention.

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. Fund Accounting (continued):**

**(4) After School Study**

This is an after-school study program designed to enable under-achieving students to perform at the state minimum requirements in reading, mathematics, and writing. Through a contract with the Caddo Parish School Board, the program utilizes classrooms in several school locations and employs retired, certified teachers who provide individual instruction in small groups settings to high-risk middle and elementary school youngsters.

**(5) Child Care Food Program Fund**

This program funds the provision of food to dependent recipients in approximately 300 day care homes. Homes must pass periodic fire and sanitation inspections and eligible providers must serve meals in conformity with meal plans approved by the United States Department of Agriculture. This program fiscal period is from September 1 through October 30. The information presented in this audit report is for the twelve-month period ended June 30, 2002.

**(6) General Fund**

The General Fund is used to account for funds and activities not directly related to program funds.

**D. Basis of Accounting:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All funds utilized by Association for Community Training, Inc. is accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Basis of Accounting (continued):**

The modified accrual basis of accounting is used by all funds appearing in this financial report. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Association for Community Training, Inc. considers revenue available if it is collected within 60 days after year-end. Those revenues susceptible to accrual are intergovernmental and contributions from private sources. Expenditures are recorded when the related fund liability is incurred.

**E. Budgets and Budgetary Accounting:**

Association for Community Training, Inc. generally follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Management, with technical assistance provided by the State of Louisiana Office of Urban Affairs, prepares a proposed budget and submits the same to the Board of Directors for approval prior to the beginning of each fiscal year.
2. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Directors.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors or the Louisiana Office of Urban Affairs.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Expenditures can legally exceed appropriations, but not more than 5%.

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. Expenditures - Actual and Budget:**

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2002.

QUAD Program Fund	(2,602)
After School Study	(8,122)

**G. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in grant funds, and the related assets are reported in the general fixed assets accounts group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets as applicable.

	COST	ACCUMULATED DEPRECIATION	NET	DEPRECIATION ANNUAL RATES
LAND	\$ 44,996	--	44,996	N/A
BUILDING	\$ 276,035	80,522	195,513	6.7 Percent
BLDG. IMP	\$ 349,610	84,795	264,815	6.7 Percent
EQUIPMENT	\$ 404,342	244,350	159,992	14-20 Percent
FURNITURE & FIXTURES	\$ 2,332	2,332	--	14 Percent
VEHICLES	\$110,135	65,761	44,374	14 Percent

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**H. Cash**

All cash funds are covered by FDIC insurance at a federally insured financial institution.

**I. Accrued Vacation Liability**

The current policy of Association for Community Training, Inc. does not provide for the accumulation of earned leave by employees; therefore, these financial statements do not contain a provision for accrued vacation.

**J. Total Columns on Combined Statements - Overview**

Total Columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**K. Summarized Financial Information for 2001**

The financial information for the year ended June 30, 2001, presented for comparative purposes, is not intended to be a complete financial statement presentation.

**(2) FUNDING**

Association for Community Training, Inc. was funded in 2002 as follows:

Louisiana Office of Urban Affairs	\$ 863,000
Louisiana Department of Education	\$ 687,532
Louisiana Department of Education	\$ 277,537
Louisiana Department of Social Services	\$ 120,229
Louisiana Governor's Office	\$ 11,371
City of Shreveport – CBDG Grant	\$ 67,123

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

(3) **GRANTS RECEIVABLE**

Louisiana Department of Social Services	\$ 13,280
Louisiana Department of Education	\$ 123,124
Louisiana Department of Education	\$ 4,615

(4) **INCOME TAX STATUS**

Association for Community Training, Inc., a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

(5) **CHANGES IN LONG - TERM DEBT**

Debt of Association for Community Training at June 30, 2002 consisted of the following:

- 1) Mortgage Payable due to Regions Bank in monthly installments of \$637.22 and secured by real estate as part of the Milam and Allen Project.
- 2) Mortgage Payable, due in monthly installments of \$354.37, and \$175.00, maturing November 1996 and December 1996 respectively, secured by real estate. Interest is 19.75% and 8.5% respectively. The Association is currently in dispute with the mortgage companies regarding previous amounts paid to the companies and outstanding balances. Per the Association's management this dispute is to be resolved during the next fiscal period. The amounts are shown on the statement of financial position at their full value.

Details of Mortgage Payable:

Merrill Lynch	\$ 10,699
Lomas Mortgage	11,247
Regions Bank	39,600
<hr/>	
Balance 6/30/02	61,546
Less: Current Portion	25,451
<hr/>	
Total	36,095
<hr/>	

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

(6) **JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

There is no litigation pending against Association for Community Training at June 30, 2002. Furthermore, Association for Community Training' management believes that any potential lawsuits would be adequately covered by insurance.

-

The Association for Community Training receives revenues from various State grant programs that are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and Association for Community Training. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect Association for Community Training' financial position.

**JERRY L. WHITE**  
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS

Board of Directors  
Association for Community Training, Inc.  
Shreveport, Louisiana

I have audited the financial statements of Association for Community Training, Inc., Shreveport, Louisiana as of and for the year ended June 30, 2002, and have issued my report thereon dated December 22, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Compliance


As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Association's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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This report is intended for the information of the audit committee, management, and the state of Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

December 22nd, 2002

**JERRY L. WHITE**  
Certified Public Accountant

133 Buttercup Court  
White House Station, NJ 08889  
(908) 823-0116

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

Board of Directors  
Association for Community Training, Inc.  
Shreveport, Louisiana

I have audited the compliance of Association for Community Training, Inc., with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the twelve month period ended June 30, 2002. The Association for Community Training Inc. major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Association for Community Training.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133. "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association for Community Training, Inc. compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Association for Community Training, Inc.'s compliance with those requirements.


In my opinion, the Association for Community Training, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of the major federal programs for the twelve month period ended June, 30, 2002.

### Internal Control Over Compliance

The management of Association for Community Training, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and the state of Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

December 22, 2002

ASSOCIATION FOR COMMUNITY TRAINING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2002

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material Weakness(es) identified? \_\_\_\_\_ yes **X** no

Reportable condition(s) identified  
that are not considered to be material  
weaknesses? \_\_\_\_\_ yes **X** no

Noncompliance material to financial  
statements noted? \_\_\_\_\_ yes **X** no

**Federal Awards**

Internal control over major programs:

Material Weakness(es) identified? \_\_\_\_\_ yes **X** no

Reportable condition(s) identified  
that are not considered to be material  
weaknesses? \_\_\_\_\_ yes **X** no none reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required  
to be reported in accordance with section  
510(a) of Circular A-133? \_\_\_\_\_ yes **X** no

Identification of major programs:

**CFDA Number(s)**

10.558

**Name of Federal Program or Cluster**

Child Care Food Program

Dollar threshold used to distinguish  
between type A and type B programs: 500,000

Auditee qualified as low-risk auditee: \_\_\_\_\_ yes **X** no

ASSOCIATION FOR COMMUNITY TRAINING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
*For the Year Ended June 30, 2002*

<b><u>FEDERAL GRANT OR/PASS-THROUGH GRANT OR PROGRAM TITLE</u></b>	<b><u>CFDA NUMBER</u></b>	<b><u>2002 EXPENDITURES</u></b>
<b>MAJOR PROGRAMS:</b>		
<b><u>United States Department of Agriculture</u></b>		
Passed through Louisiana Department of Education		
Child and Adult Care	10.558	687,532
Total Major Federal Program Expenditures		687,532
 <b>OTHER FEDERAL ASSISTANCE</b>		
NONE		
Total Federal Program Expenditures		687,532

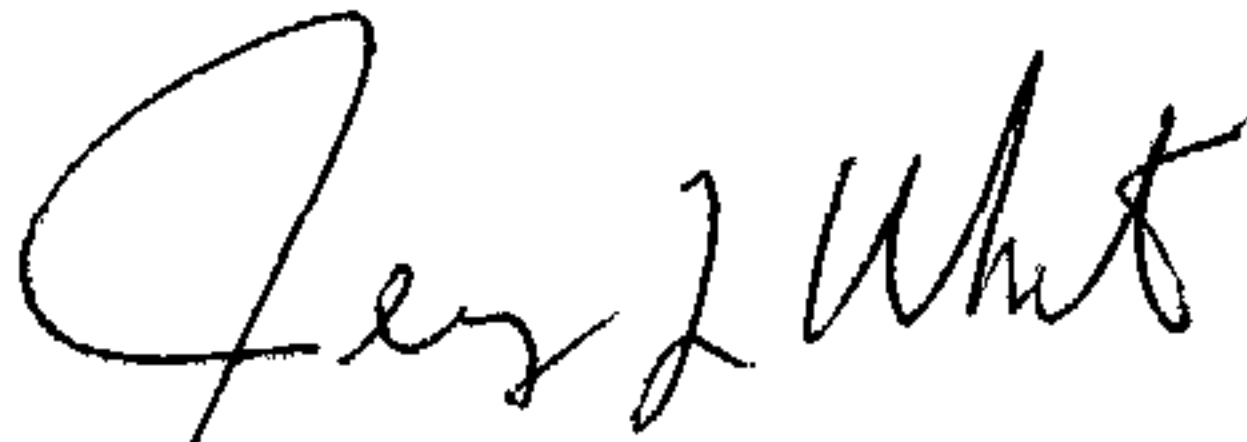
**JERRY L. WHITE**  
Certified Public Accountant

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White House Station, NJ 08889  
(908) 823-0116

MANAGEMENT LETTER COMMENTS

Board of Directors  
Association for Community Training, Inc.  
Shreveport, Louisiana

THERE ARE NO MANAGEMENT LETTER COMMENTS FOR ASSOCIATION FOR COMMUNITY TRAINING INC. FOR THE YEAR ENDED JUNE 30, 2002. PLEASE SEE SUMMARY OF PRIOR YEAR FINDINGS FOR FOLLOW-UP ON PRIOR YEAR FINDINGS.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

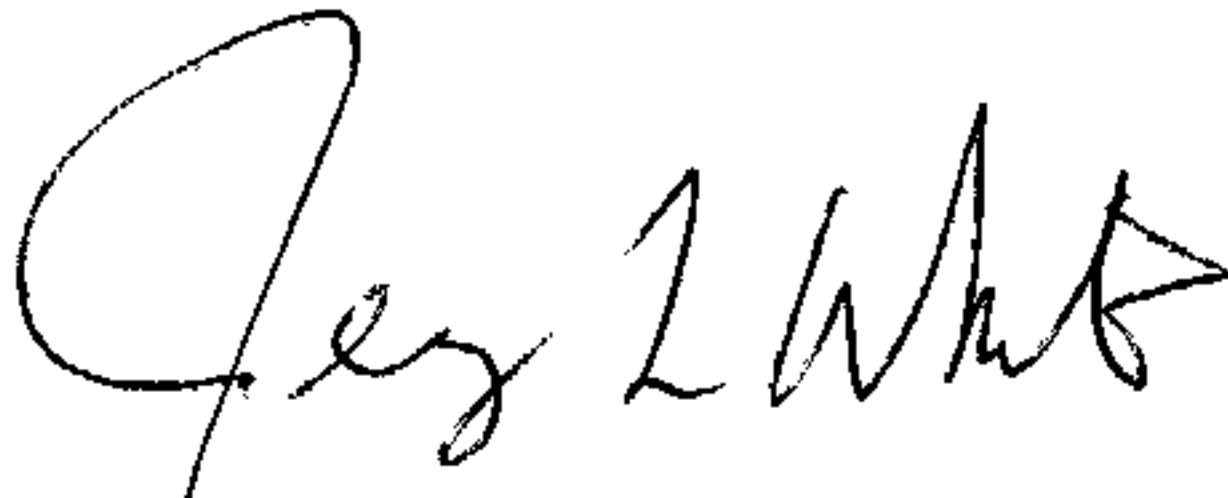
December 22, 2002

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MANAGEMENT'S CORRECTIVE ACTION PLAN

THERE WERE NO AUDIT FINDINGS AND/OR COMMENTS FOR THE YEAR ENDED JUNE 30, 2002, AND THEREFORE A MANAGEMENT CORRECTIVE ACTION PLAN WAS NOT APPLICABLE.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

December 22, 2002

**JERRY L. WHITE**  
Certified Public Accountant

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SUMMARY OF PRIOR YEAR FINDINGS

THERE WERE NO AUDIT FINDINGS AND/OR COMMENTS FOR THE YEAR ENDED JUNE 30, 2001, AND THEREFORE THERE ARE NO PRIOR YEAR FINDINGS.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

December 22, 2002

**S U P P L E M E N T A R Y**  
**I N F O R M A T I O N**

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
QUAD PROGRAMS FUND TYPE  
For the Fiscal Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<b><u>REVENUES:</u></b>			
Intergovernmental	863,000	863,000	
Interest Income		1,026	1,026
Rental Income			
Donations			
Other			
	<u>863,000</u>	<u>864,026</u>	<u>1,026</u>
<b>TOTAL REVENUES</b>	<b>863,000</b>	<b>864,026</b>	<b>1,026</b>
<b><u>EXPENDITURES:</u></b>			
Personnel	569,496	587,273	(17,777)
Travel	15,504	22,416	(6,912)
Operating Services	73,426	58,035	15,391
Operating Supplies	34,927	31,388	3,539
Professional Services	88,844	87,699	1,145
Capital Outlays	29,661	19,625	10,036
Other Costs	51,142	60,192	(9,050)
	<u>863,000</u>	<u>866,628</u>	<u>(3,628)</u>
<b>TOTAL EXPENDITURES</b>	<b>863,000</b>	<b>866,628</b>	<b>(3,628)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>                    </u>	<u>(2,602)</u>	<u>(2,602)</u>
<b>FUND BALANCE, BEGINNING</b>		(3,206)	(3,206)
<b>INTERFUND TRANSFER</b>	<u>                    </u>	<u>3,206</u>	<u>3,206</u>
<b>FUND BALANCE, ENDING</b>	<u>                    </u>	<u>(2,602)</u>	<u>(2,602)</u>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
DRUG FUND TYPE

For the Fiscal Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<b><u>REVENUES:</u></b>			
Intergovernmental	20,000	11,371	(8,629)
Interest Income			
Rental Income			
Donations			
Other			
	<u>20,000</u>	<u>11,371</u>	<u>(8,629)</u>
<b>TOTAL REVENUES</b>	<b>20,000</b>	<b>11,371</b>	<b>(8,629)</b>
<b><u>EXPENDITURES:</u></b>			
Personnel	14,891	9,711	5,180
Travel			
Operating Services			
Operating Supplies	3,228	417	2,811
Professional Services		1,243	(1,243)
Capital Outlays			
Other Costs	1,881		1,881
	<u>20,000</u>	<u>11,371</u>	<u>8,629</u>
<b>TOTAL EXPENDITURES</b>	<b>20,000</b>	<b>11,371</b>	<b>8,629</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE, BEGINNING</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>INTERFUND TRANSFER</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE, ENDING</b>	<u>          </u>	<u>          </u>	<u>          </u>

**The accompanying notes are an integral part of this statement**

ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
TEEN PREGNANCY FUND TYPE  
For the Fiscal Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<b><u>REVENUES:</u></b>			
Intergovernmental	250,000	120,229	(129,771)
Interest Income			
Rental Income			
Donations			
Other			
	<u>250,000</u>	<u>120,229</u>	<u>(129,771)</u>
<b>TOTAL REVENUES</b>	<b>250,000</b>	<b>120,229</b>	<b>(129,771)</b>
<b><u>EXPENDITURES:</u></b>			
Personnel	142,939	78,029	64,910
Travel	5,800	4,699	1,101
Operating Services	14,640	5,903	8,737
Operating Supplies	17,671	3,161	14,510
Professional Services	30,900	23,520	7,380
Capital Outlays	7,800	607	7,193
Other Costs	30,250	3,753	26,497
	<u>250,000</u>	<u>119,672</u>	<u>130,328</u>
<b>TOTAL EXPENDITURES</b>	<b>250,000</b>	<b>119,672</b>	<b>130,328</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>          </u>	<u>557</u>	<u>557</u>
<b>FUND BALANCE, BEGINNING</b>			
<b>INTERFUND TRANSFER</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE, ENDING</b>	<u>          </u>	<u>557</u>	<u>557</u>

**The accompanying notes are an integral part of this statement**